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California Corporations Commissioner
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7 Attorneys for Complainant

9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA

12 In the Matter of the Accusation of THE) File No.: 963-2199
CALIFORNIA CORPORATIONS)
13 COMMISSIONER,) ORDER IMPOSING PENALTIES PURSUANT
14) TO CALIFORNIA FINANCIAL CODE
Complainant,) SECTION 17408
15)
16 vs.)
17 BEACHWOOD ESCROW (Formerly Advance)
Express Escrow),)
18)
Respondent.)

20 TO: BEACHWOOD ESCROW (Formerly Advance Express Escrow)
21 1509 W. Magnolia Blvd.
22 Burbank, California 91506

23 NOW THEREFORE, the California Corporations Commissioner (“Commissioner”) having
24 found that Beachwood Escrow (formerly Advance Express Escrow) failed to timely file its annual
25 audit report containing audited financial statements for its fiscal year ended December 31, 2006, as
26 required by Financial Code section 17406, Beachwood Escrow is hereby ordered, pursuant to
27 Financial Code section 17408, to pay to the Commissioner penalties in the sum of \$30,300.00.

28 Pursuant to Financial Code section 17406, Beachwood Escrow (“Beachwood”) was required
to submit its annual audit report for the fiscal year ended December 31, 2006 (“2006 audit report”) to

1 the Commissioner on or before April 15, 2007.

2 On or about June 14, 2006, the Commissioner notified Beachwood in writing that its 2006
3 audit report was due on April 15, 2007. The Commissioner's letter informed Beachwood that failure
4 to timely file the 2006 audit report could result in assessment of penalties, a special examination
5 and/or administrative action. Beachwood failed to timely file its 2006 audit report by April 15,
6 2007.

7 Beachwood's 2006 audit report was not received by the Department of Corporations until
8 February 14, 2008, which was 303 days after it was due. Pursuant to the filing requirement set forth
9 in Financial Code section 17406, the Commissioner is authorized to assess a penalty of \$100.00 for
10 each of the first five days the audit report was overdue and a penalty of \$500.00 for each day
11 thereafter.

12 Financial Code Section 17408, subdivisions (b) through (e), provides as follows:

13 (b) The commissioner may impose, by order, a penalty on any person
14 who fails, within the time specified in any written demand of the
15 commissioner, (1) to make and file with the commissioner any report
16 required by law or requested by the commissioner. . . . The amount of the
17 penalty shall be one hundred dollars (\$100) for each day for the first five
18 days the report or information is overdue and, thereafter, five hundred dollars
19 (\$500) for each day the report or information is overdue.

20 (c) If, after an order has been made under subdivision (b), a request for
21 hearing is filed in writing within 30 days of the date of service of the order
22 by the person to whom the order was directed, a hearing shall be held
23 in accordance with the Administrative Procedure Act, Chapter 5 (commencing
24 with Section 11500) of Part 1 of Division 3 of Title 2 of the Government
25 Code, and the commissioner shall have all the powers granted under that chapter.

26 (d) If the person fails to file a written request for a hearing within 30 days
27 of the date of service of the order, the order imposing the penalty shall be
28 deemed a final order of the commissioner, and the penalty shall be paid within
five business days.

(e) If a hearing is requested, the penalty shall be paid within five business
days after the effective date of any decision in the case ordering payment to be paid.

WHEREFORE, Beachwood's 2006 audit report was 303 days late, the Commissioner is
hereby imposing a penalty of \$100.00 for each of the 303 days the report was overdue, for penalties
totaling \$30,300.00.

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Dated: March 28, 2008
Sacramento, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Alan S. Weinger, Lead Corporations Counsel